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Ms. Marlene H. Dortch Secretary Federal Communications Commission Room TW-A325 445 12th Street, SW Washington, DC 20554



August 28, 2007

**EX PARTE** 

Re:

In the Matter of Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25, RM 10953

Dear Ms. Dortch:

I am writing this letter to explain my concerns about the consequences of the FCC action in the above referenced docket. Applied Telcomm Corporation has concerns that the local exchange carriers may dramatically to increase prices for services we use to manage our business, if special access and Ethernet services are deregulated.

I purchase services from competitive phone companies in order to receive better services at competitive rates. I understand that competition and technology provide numerous opportunities to improve the way I do business. But there are too many instances where competitive alternatives are not available. It is impossible for competition to exist, much less thrive, if a firm with market power is allowed to exploit their control over services we need for remote offices and branch locations that may not be directly connected to our service provider's network. Such exploitation would result in the incumbent's charging outrageously high prices and engaging in exclusionary pricing practices that prevent wholesale competition from developing. Ultimately, this would adversely affect my bottom-line and how I manage my network to deliver services to my customers.

I urge the FCC to review the pending special access and forbearance proceedings closely and to limit ILEC opportunities to use their control over local transmission facilities too harm consumer welfare and competition. The Commission can do this by 1) insuring that high-capacity special access and Ethernet services are price regulated to limit future harmful price increases; and 2) prohibiting anticompetitive terms and conditions that have the effect of locking-up the market, preventing wholesale competition, and denying customers a choice among service providers. The FCC must also act to deny the flood of ILEC Forbearance Petitions that seek complete deregulation of services need by competitors to supplement their own facilities at locations outside of their network footprints.

Pursuant to Section 1.1206(b) of the Commission's rules, 47 C.F.R. § 1.1206(b), one electronic copy of this notice is being filed in the above-referenced proceeding.

Sincerely,

**Brent Dill** 

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